

Message Text

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ACTION NEA-09

INFO OCT-01 ISO-00 ABF-01 TRSE-00 L-02 AID-05 IGA-01 EB-07

CIAE-00 INR-07 NSAE-00 OMB-01 /034 W

----- 079417

R 091300Z MAY 75

FM AMEMBASSY COLOMBO

TO SECSTATE WASHDC 2722

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EO 11652: N/A

TAGS: EAID, CE

SUBJ: US-OWNED PL-480 RUPEES

REF: STATE 107949

1. FOLLOWING ARE TEXTS OF JUNE 1966 EXCHANGE TO WHICH FINANCE SECRETARY CHANDANA M COOREY HAS REFERRED:

2. LETTER OF JUNE 8, 1966 FROM DIRECTOR OF ACCOUNTS AND PAYMENTS, GSL GENERAL TREASURY, TO USDO: BEGIN TEXT

DEPOSIT OF US OWNED RUPEE FUNDS IN AN INTEREST BEARING ACCOUNT IN THE CEYLON GOVERNMENT TREASURY

WITH REFERENCE TO THE DISCUSSIONS MR W DIAS OF THE US EMBASSY (AID LOCAL EMPLOYEE) HAD WITH THE UNDERSIGNED ON THE 6TH INSTANT, I GIVE BELOW FOR YOUR INFORMATION AND CONFIRMATION, THE ARRANGEMENTS AGREED UPON AT THE DISCUSSION:

(I) FUNDS:

MR DIAS STATED THAT THE FUNDS PRESENTLY AVAILABLE ARE THE US OWNED FUNDS UNDER THE PRE-1966 AGREEMENTS - APPROXIMATELY RS 8 MILLION. THIS WOULD BE AUGMENTED BY THE INTEREST AND INSTALMENTS IN REPAYMENT OF PRINCIPAL ON LOANS ALREADY MADE, IN TERMS OF THE RESPECTIVE AGREEMENTS.

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(II) TRANSFER OF FUNDS:

THE TRANSFER OF AVAILABLE FUNDS COULD BE MADE BY A CHEQUE DRAWN IN FAVOUR OF THE DEPUTY SECRETARY TO THE TREASURY TO BE FORWARDED UNDER COVER ADDRESSED TO THE DIRECTOR OF ACCOUNTS AND PAYMENTS, (PD BRANCH), GENERAL TREASURY, COLOMBO 1. A RECEIPT WOULD BE ISSUED ON REALIZATION OF THE CHEQUE.

(III) DRAWINGS:

MR DIAS SAID THAT THE US EMBASSY WOULD NORMALLY DRAW RS 500,000 PER MONTH. IT WAS AGREED THAT IF THE US EMBASSY INFORMS TREASURY ACCORDINGLY, ARRANGEMENTS COULD BE MADE TO REMIT THIS AMOUNT AT THE BEGINNING OF EACH MONTH.

MR DIAS ALSO SAID THAT THERE MAY BE OCCASIONS WHEN THE US EMBASSY WOULD HAVE TO DRAW MORE FUNDS AND IT WAS AGREED THAT AT LEAST ONE WEEKS NOTICE WOULD BE GIVEN BEFORE SUCH AMOUNTS WERE DRAWN. SUCH AMOUNTS COULD BE PAID ON RECEIPT OF A LETTER FROM THE US EMBASSY REQUESTING THE PAYMENT.

CHEQUES COULD EITHER BE FORWARDED TO THE EMBASSY OR PAID INTO THE CENTRAL BANK TO BE CREDITED TO THE US EMBASSY ACCOUNT NOMINATED BY US EMBASSY, AS REQUIRED BY THE US EMBASSY. THE US EMBASSY WILL FORWARD A RECEIPT TO THE TREASURY ON RECEIPT OF A CHEQUE OR INTIMATION FROM THE BANK OF THE RECEIPT OF FUNDS.

(IV) INTEREST:

INTEREST (AT THE RATE AGREED UPON) SHOULD BE ON THE DAILY BALANCES AND WOULD BE PAID QUARTERLY. THE INTEREST WILL BE CREDITED TO THE ACCOUNT AND AN INTIMATION SENT TO THE US EMBASSY. INTEREST WILL ACCRUE FROM THE DATES OF REALIZATION OF CHEQUE IN THE CASE OF EACH AMOUNT PAID IN TO THE ACCOUNT.

(V) MONTHLY STATEMENTS:

THE TREASURY WILL FORWARD TO THE US EMBASSY A MONTHLY STATEMENT SHOWING THE TRANSACTIONS UNDER THE ACCOUNT AND THE BALANCE AS AT END OF THE MONTH, TO REACH THE US EMBASSY BY ABOUT THE 10TH LIMITED OFFICIAL USE

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OF EACH SUBSEQUENT MONTH.

2. I SHALL ALSO BE GLAD TO BE INFORMED OF YOUR DECISIONS IN REGARD TO THE MATTERS WHICH WERE LEFT OPEN AT THE DISCUSSION, AS INDICATED ABOVE.

3. I TRUST THE US EMBASSY WILL NOW BE IN A POSITION TO TRANSFER THE AVAILABLE FUNDS. END TEXT.

3. LETTER OF JUNE 15, 1966 FROM MOISES M. BELLIDO, USDO, TO
GSL DIRECTOR OF ACCOUNTS AND PAYMENTS: BEING TEXT:

THANK YOU FOR YOUR LETTER NO 688/15/16(PD) DATED JUNE 8, 1966
REGARDING DEPOSIT OF US OWNED RUPEE FUNDS IN AN INTERST BEARING
ACCOUNT IN THE CEYLON GOVERNMENT TREASURY.
IN LINE WITH YOUR WISHES, I AM GLAD TO INFORM YOU AS FOLLOWS:

(I) FUNDS:

IN ADDITION, FUNDS TO BE GENERATED BY THE 1966 PL-480
AGREEMENT AND PAYMENT OF PRINCIPAL AND INTEREST OF FUTURE
LOANS, NOW BEING NEGOTIATED.

(II) TRANSFER OF FUNDS:

ENCLOSED PLASE FIND CHECK NO 154199 DATED JUNE 15, 1966
IN THE AMOUNT OF RS 8,000,000.00 IN FAVOR OF THE DEPUTY
SECRETARY TO THE TREASURY TO BE DEPOSITED TO GENERAL DEPOSIT
ACCOUNT TREASURY-US DISBURSING OFFICER'S SHARE OF FUNDS
GENERATED UNDER PL-480, DLF AND ICA LOAN AGREEMENTS.

(III) DRAWINGS:

IT WILL BE APPRECIATED YOUR FORWARDING A CHECK TO THE EMBASSY
FOR RS 500,000.00 EVERY FIRST WORKING DAY OF THE MONTH IN FAVOR
OF AMERICAN EMBASSY, COLOMBO, FOR WHICH RECEIPT WILL BE
ACKNOWLEDGED.

YOUR SECOND PARAGRAPH UNDER (III) REGARDING ONE WEEK'S
NOTICE IS AGREEABLE. THE LETTER REQUESTING FUNDS IN EXCESS
OF RS 500,000.00 WILL BE SIGNED EITHER BY THE UNDERSIGNED
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OR BY MR H F BREARD, ASSISTANT US DISBURSING OFFICER.

(IV) INTEREST:

THE EMBASSY IS IN AGREEMENT WITH THE CONTENTS OF ITEM IV
OF YOUR LETTER DATED 6/8/66 AT THE RATE AGREED UPON, IE.,
1 1/2 PERCENT PER ANNUM.

(V) MONTHLY STATEMENTS:

THE EMBASSY IS IN AGREEMENT WITH CONTENTS UNDER ITEM (V)
OF YOUR LETTER OF 6/8/66.

THANK YOU FOR YOUR COOPERATION. END TEXT.

4. LETTER OF JUNE 18, 1966 FROM GSL DIRECTOR OF ACCOUNTS AND
PAYMENTS TO USDO: BEGIN TEXT:

I HAVE THE HONOUR TO ACKNOWLEDGE RECEIPT OF YOUR LETTER DATED
15TH JUNE, 1966 AND THE CHEQUE FOR RS 8 MILLION SENT THEREWITH.
THE OFFICIAL RECEIPT FOR THE CHEQUE HAS ALREADY BEEN FORWARDED
TO YOU.

THE CONTENTS OF YOUR LETTER ARE ANOTED AND I HEREBY CONFIRM
THAT ARRANGEMENTS WILL NOW GO FORWARD AS AGREED TO BY YOU.
END TEXT.

5. WE TOO ARE SEARCHING OUR FILES BUT DO NOT SO FAR HAVE BACKGROUND
TO FOREGOING EXCHANGE. IN VIEW FILE RETIREMENT SCHEDULE, WE ARE
NOT HOPEFUL OF RETRIEVING FULL STORY BUT SHALL CABLE DEPT
ANYTHING WE FIND. COPIES WILL ALSO BE POUCHED. COOREY'S FORMAL LETTER
TO AMBASSADOR (NOT YET
RECEIVED) SHOULD PROVIDE MISSING INFORMATION.
VAN HOLLEN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INTERVENTION, ECONOMIC ASSISTANCE, ALLEGATIONS, OPPOSITION PARTIES
Control Number: n/a
Copy: SINGLE
Draft Date: 09 MAY 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: woolflhd
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975COLOMB01491
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750163-0540
From: COLOMBO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750563/aaaacfdv.tel
Line Count: 188
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 STATE 107949
Review Action: RELEASED, APPROVED
Review Authority: woolflhd
Review Comment: n/a
Review Content Flags:
Review Date: 19 AUG 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19 AUG 2003 by ellisoob>; APPROVED <05 DEC 2003 by woolflhd>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: US-OWNED PL-480 RUPEES
TAGS: PFOR, EAID, US, CE
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006